

RICHARD E. CARUSO, Ph.D

RICHARD E. CARUSO, Ph.D founded Integra LifeSciences Corporation (Integra) in 1989. Dr. Caruso currently serves as the company's Chairman. With Dr. Caruso as the President and Chief Executive Officer, Integra grew from a few employees in 1989 to more than 200 employees in 1997. With the acquisition of Telios Pharmaceuticals, Inc. in San Diego, California in August 1995, Integra became a publicly held company listed on the National NASDAQ Market, under the symbol "IART". In 1998, Dr. Caruso hired Stuart Essig from Goldman Sachs as Integra's President and Chief Executive Officer. Currently Integra has sales in excess of \$50,000,000 with approximately 500 employees.

In 1978, Dr. Caruso founded The Provco Group (Provco), a group or amalgamation of businesses or activities in which Dr. Caruso and his family have a direct involvement, and which organizes and provides funding for a variety of complex business activities. In each transaction where Provco participates financially, it also participates in either selecting management or directly in management. Currently, Provco has \$250,000,000 in assets and concentrates in the following areas: manufacturers lease programs, venture financing, real estate, alternate energy, leveraged buyouts, reorganization, personal property, investment strategies.

From 1969 to 1992, Dr. Caruso was a principal of LFC Financial Corp (LFC), a leasing and project financing company located in Radnor, Pa. In March 1992, Dr. Caruso arranged for the acquisition of all of the issued and outstanding shares of Integra common stock from LFC. When he left LFC in 1992, he was a Director and held the position of Executive Vice President. Prior to joining LFC, Dr. Caruso was associated with Price Waterhouse & Co. in Philadelphia, Pa.

Dr. Caruso is also a founding shareholder of Interactive Investor International (www.iii.co.uk) (1996), now publicly traded on NASDAQ and the London Stock Exchange, and of Shoup Voting Solutions, Inc. (1999).

Dr. Caruso has more than 25 years of experience in finance and entrepreneurial-type ventures. He has and continues to be actively involved in a variety of domestic and international business activities. He has a broad base of business experience and maintains an active involvement in the academic community in both the United States and Europe.

Dr. Caruso has served or is serving on the Boards of Susquehanna University, The Baum School of Art, the Business Performance Group of the London School of Economics and American Capital Mutual Funds. He has also founded The Uncommon Individual Foundation. He received a B.S. degree from Susquehanna University, M.S.B.A. degree from Bucknell University, and a Ph.D. degree from the London School of Economics, University of London (U.K.).

Dr. Caruso is also a certified public accountant. He resides in Villanova, Pa.

**Statement by Richard Caruso
CEO, Shoup Voting Solutions**

**Before the
Committee on House Administration
U.S. House of Representatives**

May 17, 2001

Good morning, my name is Richard Caruso, and I am the CEO of Shoup Voting Solutions in Quakertown, Pennsylvania. I would like to thank Chairman Ney, Ranking Member Hoyer and the other members of the Committee for convening a hearing on an issue of critical importance to the American people and to our democracy. I appreciate this opportunity to share my views on election reform with the Committee.

In 1895, Samuel R. Shoup first started developing voting machines. Over a hundred years later, more than 300 counties in 33 states use Shoup voting equipment. Shoup Voting Solutions specializes in ballot preparation services, poll worker training, and pre-election, election day, and post-election day support to state and local governments.

While elections and voting equipment have changed since the days of Samuel Shoup, our challenge remains the same. In order to preserve our democracy, we must ensure that voting systems accurately and fairly represent the will of the people.

The 2000 presidential election exposed our national shortcomings in safeguarding this important principle. Conflicting voter registration rolls, inadequate voter education, poor poll worker training, ill-conceived ballot designs, antiquated machinery and disparate voting methods all served to undermine citizen confidence in our election system. These problems are not new, and in all fairness, exist in almost every state.

Mr. Chairman, replacing outdated voting equipment, by itself, is not enough to address our serious problems with election administration. While certainly a central component of any reform effort, improved voting equipment must also be accompanied by significant improvements in voter registration systems, ballot preparation and election management systems, and central tallying systems.

The voting-equipment industry has spent considerable time and money to successfully develop the technology and the infrastructure necessary to fairly and accurately administer elections. Resolve, not technology, is the biggest barrier to election reform.

Makers of voting equipment, including Shoup, are currently producing state-of-the-art systems with technology that can help restore faith in our electoral process. There are voting units currently available for order that, among other things, detect "undervoting" and "overvoting," that allow for multiple language ballots, that are ADA compliant, and that make it easier for sight and hearing impaired voters to cast ballots.

Similarly, companies have made tremendous strides in improving vote tallying systems and election management systems. Companies have systems available for order that provide a quick, accurate tally of votes, the ability to electronically transmit election results, and clear and redundant audit trails. The technology also exists to design ballots that avoid voter confusion and bias.

Mr. Chairman, assuming that state and local governments had sufficient resources to purchase them, voting systems like those I just described could be put in place nationally in short order. Such systems, coupled with ongoing testing and training of poll workers and voters, could greatly improve election administration in the near term.

The challenge that will take more time to address, Mr. Chairman, is improved voter registration systems. Voter registration systems must be able to prevent fraud and other abuses without being so intrusive that citizens are discouraged from voting. The technology exists to create uniform databases that ensure only eligible voters cast ballots and that conduct real-time checks to prevent people from casting multiple ballots. However, in addition to significant data base development costs, striking the right balance between preventing fraud and protecting voter privacy presents a substantial challenge to actually implementing such systems. Given these challenges, Mr. Chairman, it remains an open question whether voter registration systems can be significantly reformed by the 2004 elections.

Mr. Chairman, involvement by the federal government is essential to ensuring that promising technologies play an important role in election reform. While our federal system ultimately leaves election administration decisions to state and local

governments, election reform cannot happen without sustained congressional involvement.

The key to federal involvement is not more study of the issue, but more resources. Technology to address identified problems is available now, and voter faith in our electoral system must be quickly restored. Many state and local governments lack adequate resources to purchase election equipment and services that effectively protect an individual's right to vote. Congress should expedite federal money to state and local governments to fund badly needed election reform.

Congress should use federal money to encourage the development of uniform voting technology requirements. In addition to ensuring that all voting systems meet proper standards consistent with 21st Century technology, uniform requirements will also reduce the overall cost of election reform. Uniform requirements will reduce costs by allowing for economies of scale in the development and purchasing of voting systems. Common platforms will also make it less expensive to train election officials to operate voting systems. Uniform requirements can further be expected to reduce maintenance costs.

In encouraging development of uniform voting technology, Congress should insist that voting systems meet the following standards and practices:

- Voting systems must be easy to use by voters and easy to administer by election officials.
- Before a ballot is cast and tabulated, a voting system must allow the voter to verify votes selected and enable the voter to correct any errors.
- A voting system must detect and prevent over-voting and unintended under-voting.
- A voting system must be secure and tamper resistant.
- A voting system must provide a quick, accurate tally of votes and be able to support the electronic transmission of election results.
- A voting system must provide a clear audit trail.
- A voting system must provide individuals with disabilities and other special needs equal access and participation.
- A voting system must be able to accommodate multiple language ballots.

Mr. Chairman, before closing, I would like to briefly address two additional issues important to election reform. Currently, there are only two labs approved to review and certify new voting systems. Congress should consider directing the

Federal Election Commission to work with the National Association of State Election Directors to designate additional certifying institutions. More promising technologies will get to the market faster if additional certifying labs exist. Secondly, many states require companies seeking contracts to place performance or bid bonds valued at 5% to 100% of the expected order value. These bonds significantly increase the cost of voting systems, and the federal government should consider working with states to minimize the need for bonds.

Mr. Chairman, I would like to thank you for the opportunity to appear before the Committee today. I would be happy to answer any questions that you, or other members of the Committee, may have for me.